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FLOOR DEBATE

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the Kerrey administration, when we created a rainy day fund by pumping up the half cent sales tax for a limited period of time, and put money into a rainy day fund that we created to help us with cash flow problems that we were having at the time. When the sales tax went back down to its traditional level, this issue went away because the need for the half cent had been used up, and we'd accomplished that purpose. It was one of the more salient successes of the Kerrey administration. This last time that we had to bump up tax rates because of diminishing revenue, a time that we needed revenue in the face of the budget cutting that we did--which was substantial--we also went back to that mechanism and we kept this half cent for the state's General Fund. LB 904 says, um, that exigency is over. The traditional tax base should be honored, and this half cent should go back to roads. Now understand, it had never gone to roads, because between 5 and 5.5 percent, we've never been in that area before, and this money had never gone to roads. It's just that we had historically spent any amount of sales tax that we raised, any amount, for roads. This new bump, to be consistent with our past practices, needed to go to roads. By the way, anybody who is familiar with the infrastructure of this state knows that we have doubled, tripled, quadrupled the amount of roads needs than we have resources. So it's not like this money is going to go for frills. LB 904 stands for the proposition that that gets returned to the road-building mechanism, and when I say "return," I mean that it's going there for the first time, but that we are returning to a traditional viewpoint, that we're now applying in a new and unique way. This amendment was an outgrowth of that. My own city of Lincoln, for example, took what we would call the traditional roads money--sales tax--and bought off-street parking. Needed it, important, valuable, glad we did it, but it isn't roads. It's where you park, and parking ain't roads. There may be others like that, but the Revenue Committee, in LB 248 said this principle: Roads money needs to be spent for that series of functions and tasks which are part of road building. However, we originally reported that out with an immediate effective date, and that affected cities in two different ways. Two different kinds of situations or scenarios were out there that that principle conflicted with, and that is where cities had bonded their existing revenues and had made promises for the future with different tax bases. And the two